

# **‘Compacts, Corporates and Development: Dismantling the Smokescreen’**

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## **Structure:**

1. The UN Global Compact's Growing Sustainable Business Initiative: What is it? And, what does it seek to accomplish?
2. Is the GSB Platform Participatory? Who 'steers' the GSB's processes?
3. Who benefits from the CSR projects initiated by the initiative? Evidence from Kenya and Tanzania.
4. Conclusion: Is CSR enough?

# The Growing Sustainable Business Initiative (GSB)

- Ideated at a Global Compact Policy Dialogue and endorsed at the Johannesburg Summit on Sustainable Development.
- Kofi Annan: ‘the GSB represents the most promising pathway in overcoming the poverty trap...and give hope and opportunity to the world’s poorest’



# GSB Aims

- To facilitate increased investment activities in LDCs through a process of multi-stakeholder engagement.
- To mitigate poverty through ‘Sustainable Business’ (investment underpinned by the Global Compact’s 10 principles).
- To support projects that are relevant to local contexts and are aligned with the Millennium Development Goals (MDGs).

# Who Steers 'Development'?

- The role and significance of the Brokers: 'Development will trickle down'.
- Decision Making Mechanisms: the GSB coordinating group.
- Kenya: a group of 'likeminded individuals'.
- Tanzania: process driven by Global Compact signatories.
- Are all the CSR/development projects approved? Objections only raised to projects by Unilever and Gamewatchers Safari.

# Who Benefits from CSR?



- Kenya: 2 out of 6 partnerships implemented.
- Tanzania: 4 out of 11 partnerships implemented.
- Is it too premature to make an assessment?  
Feasibility Studies of Global Entrepreneurs and Ericsson.

# **When Development is Dictated by Profitability: The New Contradictions**

- The 'new' political geography of development (e.g. Global Entrepreneurs and TetraPak)
- Little net economic impact to farmers, smallholders, workers and those who are not directly targeted by CSR (e.g. Kevian, Unilever and Illovo/Kilombero).
- Possible incompatibilities between CSR and the sustainability of individual projects (e.g. Kevian and GTZ).

# Conclusions and Reflections



- Corporate interest and economic ideas shape the GSB's deliberation processes.
- CSR is not necessarily geared to meet the needs of the very poorest workers and communities.
- CSR and partnerships ought to be complemented by regulatory efforts.